

ASSEMBLY BILL

No. 1093

Introduced by Assembly Member Lieber

February 20, 2003

An act to add Section 19830.5 to the Government Code, and to add Article 13 (commencing with Section 10480) to Chapter 2 of Part 2 of the Public Contract Code, relating to living wages.

LEGISLATIVE COUNSEL'S DIGEST

AB 1093, as introduced, Lieber. Living wage.

Existing law prescribes requirements relating to health care coverage provided by employers subject to local living wage laws, and prescribes requirements relative to payment of prevailing wages on public works.

This bill would enact provisions known as the California Living Wage Act, which would require the state, and any employer that contracts with the state pursuant to provisions governing state procurement to pay a living wage to its employees.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) Wages for the bottom 10 percent of wage earners fell
4 dramatically by 9.3 percent between 1979 and 1999.

5 (b) Underpaying employees tends to inhibit the quality and
6 quantity of services by fostering high turnover, absenteeism, and
7 lackluster performance.

(c) Local governments throughout the country have adopted living wage ordinances, including the counties of Santa Clara and Los Angeles, and the Cities of San Jose, Oakland, Hayward, and Los Angeles.

(d) Higher wages may actually help firms reduce turnover and fill vacancies and can also lead to greater worker productivity by improving morale and overall job satisfaction.

(e) Studies on existing living wage ordinances have found early evidence that relatively little of the extra cost in labor has been passed on to consumers or the cities with whom they contract.

(f) The state should promote an employment environment where wages are adequate to avoid the need for social services to be provided by the state.

SEC. 2. This act shall be known and may be cited as the California Living Wage Act.

SEC. 3. Section 19830.5 is added to the Government Code, to read:

19830.5. (a) As used in this section, “living wage” means ten dollars (\$10) per hour if the employee receives health insurance coverage, or twelve dollars (\$12) per hour if the employee does not receive health insurance coverage. This amount shall be adjusted annually by the Department of Finance to reflect any increase in the California Consumer Price Index.

(b) The state shall pay a living wage to all of its employees.

(c) All or any part of the provisions of this section may be waived in a bonafide collective bargaining agreement, but only if the waiver is explicitly set forth in the agreement in clear and unambiguous terms. Unilateral implementation of terms and conditions of employment by either party to a collective bargaining relationship shall not constitute, or be permitted, as a waiver of any provision of this section.

SEC. 4. Article 13 (commencing with Section 10480) is added to Chapter 2 of Part 2 of the Public Contract Code, to read:

Article 13. Living Wage

10480. As used in this article, “living wage” means ten dollars (\$10) per hour if the employer provides health insurance, or twelve dollars (\$12) per hour if the employer does not provide health insurance. This amount shall be adjusted annually by the

1 Department of Finance to reflect any increase in the California
2 Consumer Price Index.

3 10481. Any employer that contracts with the state pursuant to
4 this to this chapter shall pay a living wage to its employees.

5 10482. All or any part of the provisions of this article may be
6 waived in a bonafide collective bargaining agreement, but only if
7 the waiver is explicitly set forth in the agreement in clear and
8 unambiguous terms. Unilateral implementation of terms and
9 conditions of employment by either party to a collective
10 bargaining relationship shall not constitute, or be permitted, as a
11 waiver of any provision of this article.

